GOVERNMENT OF INDIA
MICRO, SMALL AND MEDIUM ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:3567
ANSWERED ON:10.09.2007
FUNDS FOR MICRO, SMALL AND MEDIUM SCALE INDUSTRIES
Budholiya Shri Rajnarayan

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether the Government is contemplating to set up a fund for Micro, Small and Medium Scale Industries; and

(b) if so, the details thereof alongwith the progress made in this regard?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI MAHABIR PRASAD)

(a) & (b): To ensure better flow of credit to micro and small enterprises by reducing the risk perception of financial institutions and banks in lending without collateral security, the Government has set up a Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE). The corpus fund of CGTMSE is jointly contributed by the Government and Small Industries Development Bank of India (SIDBI) in the ratio of 4:1. Till the end of August 2007, the Government and SIDBI have jointly contributed Rs.1,346.55 crore to the corpus.

In addition, a Small and Medium Enterprises (SME) Growth Fund has been set up with a corpus of Rs.500 crore, contributed by SIDBI and eight banks. The Fund focuses on sectors such as, life sciences, retailing, light engineering, food processing, information technology, etc.